

# **FISCAL MEMORANDUM**

## **SB 1052 – HB 1935**

April 2, 2007

**SUMMARY OF AMENDMENT (005076):** Expands the area of the West Tennessee River Basin Authority to include the Loosahatchie River.

### **FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures - \$339,000/Recurring  
\$21,000/One-Time

Increase Local Govt. Revenues – \$128,000/Permissive  
Increase Local Govt. Expenditures - \$128,000/Permissive

Other Fiscal Impact – If Hardin County chooses to adopt a property tax increase of up to \$0.03 per \$100 of property value, as authorized by T.C.A. §61-1-1104(a)(1), to help offset the costs of the Authority, there will be an increase in local government revenues of up to \$128,000. The exact amount will depend on whether or not the county chooses to adopt such tax and the rate at which it is adopted.

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures - \$763,000/Recurring  
\$60,000/One-Time**

**Increase Local Govt. Revenues – Exceeds \$128,000/Permissive  
Increase Local Govt. Expenditures – Exceeds  
\$128,000/Permissive**

**Other Fiscal Impact – If the counties impacted by this bill choose to adopt a property tax increase of up to \$0.03 per \$100 of property value, as authorized by T.C.A. §61-1-1104(a)(1), to help offset the costs of the Authority, there will be an increase in local government revenues exceeding \$128,000. The exact amount will depend on whether or not the impacted counties choose to adopt such tax and the rate at which it is adopted.**

Assumptions applied to amendment:

- The West Tennessee River Basin Authority will significantly increase the total area over which they provide services to protect river and creek basins by including a large portion of Hardin County and the Loosahatchie River.
- The Authority will require additional contractors, engineers, consultants, full-time staff, equipment, and additional training to provide such services. The increase in state expenditures associated with such is estimated to be \$763,000 annually and \$60,000 one-time.
- Counties impacted by the bill may experience an increase in local government revenues and expenditures to provide contributions to the Authority. Such increase is estimated to exceed \$128,000. Counties served by the authority are authorized to levy up to \$0.03 per \$100 of assessed valuation of properties to help offset the expenses of the authority. Any such increase in local government revenues and expenditures and subsequent revenue to the state is permissive.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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